

A Case Study On Golden Hope Plantations Berhad

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ABSTRACT

In order to provide a better understanding of various aspects of plantations industry in Malaysia, this case study is undertaken on Golden Hope Plantations Berhad. Using SWOT analysis, some fundamental strategies are suggested helping Golden Hope sustain in difficult times and to strengthen and transform it over time. To conclude, Golden Hope is a technologically failure company.

Key words: *Malaysia, Plantation industry, SWOT Analysis*

INTRODUCTION

Golden Hope Plantations Berhad was acquired by Sime Darby Berhad on 27 November, 2007. Its core business areas in agribusiness, property development, resource based manufacturing and international operations. But agribusiness facilitated the key contributions to its earnings. while the property sector responded well to the fair market conditions and prevailing strategic opportunities. It was operating in Bangladesh, Indonesia, Vietnam, China, Germany, Netherlands and in origin country Malaysia. Golden Hope rationalized its management structure and reduced the production cost by minimal chemical usage with efficient zero-burning policy. Despite the increase in production, the return of oil per hectare did not reflect the technological and scientific advantages made. It was very important to the company as it revealed a low level of output and production-cost had increased drastically. As a result, these issues made the company less competitive.

SWOT ANALYSIS

The process of strategic management starts from corporate diagnosis. The corporate diagnosis usually begins with SWOT (Strengths, Weaknesses, Opportunities and Threats) analysis. The SWOT analysis is to be interpreted by means of diagnosing the specific problems of the organization. A company performs its functions within the environmental forces, social, economic, political/legal and technological. Some of these forces are external, variable and generally not controlled by the top management. Other forces are internal to a company and thus are essentially controllable by the top management. For internal environment, strength is in the case of a favorable factor or weakness is in the case of an unfavorable factor and both factors are controllable in nature. These factors exist within an organization. They are also advantageous strategic factors of a firm. Identifying strengths is important because future performance can be built on such strengths. Strengths of an organization are not always permanent factors. Hence, a need arises to forge a conscious effort for identifying and evaluating them. Weaknesses, on the other hand, are limiting factors which prevent the organization from realizing its potential. They indicate areas which call for improvement. Since many of the major weaknesses of an organization can be traced to the policies of top management group, one often notices a degree of reluctance by top management to probe failures. Hence, a sincere attempt should be made to convert weaknesses into strengths. For external environment, opportunity is in the case of favorable factor or threat is in the case of unfavorable factor and both are uncontrollable factors that exist in an organization's environment. Opportunities denote those environmental conditions which are expected to have favorable and positive impact on the organization. Threats represent the forces in the external environmental conditions which might have negative, adverse, unfavorable consequences for the organization - its objective, policies, strategies and performance.